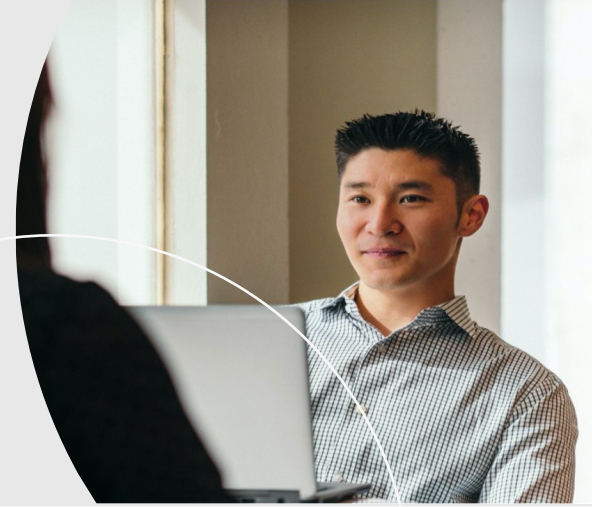


Reduce chargebacks and enhance the customer experience

DISPUTE PREVENTION AND RESOLUTION



Accelerated digital change is causing post-transaction challenges – resulting in the loss of billions each year in chargebacks and a steady rise in dispute management costs. Mastercard can help issuers and acquirers reduce chargebacks and enhance the customer experience by providing purchase transparency upfront, enabling communication between issuers and merchants for quick resolution and managing disputes efficiently from end-to-end.

1 in 4 inbound dispute calls are the result of purchase confusion⁴

Consumers have difficulty recognizing purchases due to lack of clear merchant and receipt details. This accounts for a substantial portion of chargebacks and friendly fraud dispute costs.

Issuers lack access to merchants' purchase details to resolve disputes

When cardholders dispute charges on their statement, they typically contact their issuer instead of the merchant. However, since merchants maintain the purchase details, issuers often lack the necessary information to adequately validate and resolve disputes quickly and efficiently.

Disputes are complex and prolonged, creating a negative experience

Dispute resolution processes typically engage multiple platforms throughout the dispute lifecycle, driving up operational costs and processing time for financial institutions and merchants and creating inconsistent, fragmented experience for consumers.

RISING FRAUD & FRIENDLY FRAUD

38%

Of consumers had an erroneous or fraudulent payment in 2020¹

INCREASED CHARGEBACKS

\$615M

Anticipated global chargeback volume in 2021²

ISSUERS AND MERCHANTS ARE IMPACTED

\$10-\$20

In operational costs associated with a single chargeback³

1. JAVELIN. OPTIMIZING DISPUTE STRATEGIES. 2020.

2. CHARGEBACK911. CHARGEBACK STATS. 2021.

3. CHARGEBACK GURUS. 2021 CHARGEBACK FEES – THE TRUE COST OF YOUR CHARGEBACKS. 2020.

4. AITE. IMPROVING THE DISPUTE PROCESS: TRANSPARENCY IS POWER. 2020.

Mastercard's Dispute Prevention & Resolution helps to reduce chargebacks in the payments ecosystem by addressing disputes earlier

3-TIER DISPUTE PREVENTION & RESOLUTION APPROACH



1 | Gain purchase transparency and clarity with rich merchant information and purchase details with **Ethoca Consumer Clarity**.

2 | Share dispute insights with merchants via **Ethoca Alerts** prior to formal chargebacks for quicker resolution.

3 | Initiate chargebacks and manage disputes efficiently from end-to-end with **Mastercom**.

Integrating dispute-related insights to inform and connect intelligence throughout the customer journey

Mastercard's Dispute Prevention & Resolution is a multi-functional suite of dispute processing capabilities that helps issuers, acquirers and merchants efficiently and cost-effectively manage and resolve disputes. With Dispute Prevention & Resolution, customers can provide consumers with upfront purchase transparency, enabling earlier communication between issuers and merchants for quick resolution and efficient management of disputes from end-to-end.

Reduce chargebacks and improve the customer experience

Mastercard's Dispute Prevention & Resolution can help financial institutions and merchants:

- ✓ Reduce friendly fraud and chargeback costs that arise from unclear transaction details
- ✓ Improve customer satisfaction with a simple, omnichannel experience
- ✓ Reduce chargeback volumes an average of 20%
- ✓ Resolve fraud and other dispute types within hours to a few days
- ✓ Reduce chargeback processing costs an average of 20%

For more information, please contact your Mastercard account representative.

